GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

JUNE 12, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 06/12	95	103	77	137	155
Compared to Last Week	unchanged	↑	↑	↓	↓

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Figure 1--First Quarter Rail Carloads Delivered to Ports, 1998-2003

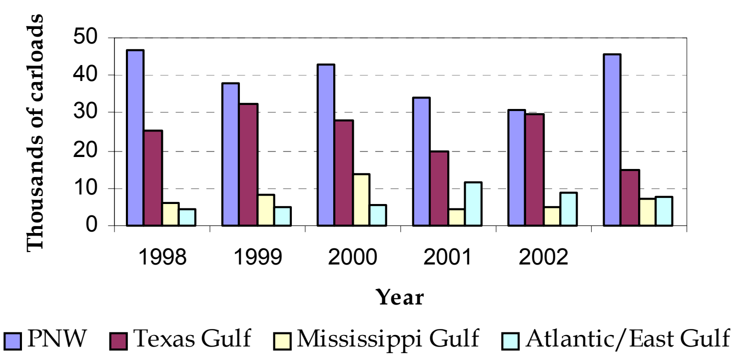
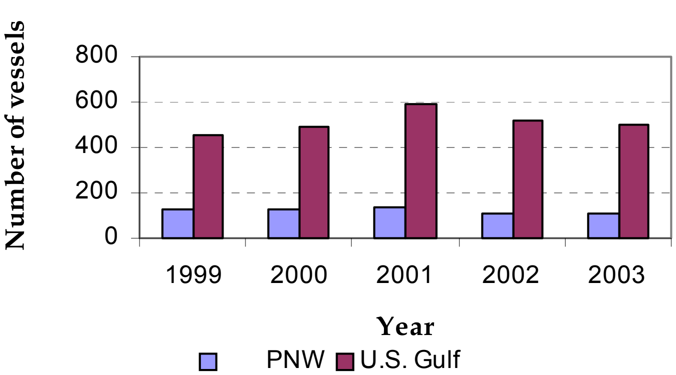


Figure 2--First Quarter Ocean grain Vessels, 1999-2003



First Quarter Rail Grain Deliveries to PNW and Mississippi Gulf Up, Down for Other Ports. For the first quarter of 2003, rail carloads of grain delivered to The Pacific Northwest (PNW) were up 15,155 carloads (figure 1) or 50 percent from last year and 19 percent from 5-year average. Year-to-date deliveries (through the third week in May) to the PNW were up 53 percent, compared with this period in 2002. Rail carloads of grain delivered to the Mississippi Gulf were up 2,398 carloads or 48 percent from last year and down 2 percent from the 5-year average. Year-to-date deliveries were up 41 percent, compared with last year. However, rail carload grain deliveries to the Texas Gulf and Atlantic and East Gulf ports were down 50 (15,105 carloads) and 21 (981 carloads) percent, respectively, from first quarter 2002. While the rail carloads of grain delivered to the Texas Gulf were down 84 percent from the 5-year average, deliveries to Atlantic and East Gulf were down only 9 percent from the 5-year average. Year-to-date deliveries to the Texas Gulf and Atlantic and East Gulf were down 76 and 23 percent, compared with 2002.

First Quarter Grain Loadings of Ocean Vessels in PNW and U.S. Gulf Ports Down. The number of ocean grain vessels loaded in the PNW during the first quarter was 107, a decrease of 3 percent, compared with 110 vessels in the first quarter 2002, and 15 percent less than the 4-year average of 126 vessels (figure 2). The loaded vessels were of varying sizes, ranging from an average of 40,000 metric tons (handy-max) to 54,000 metric tons (panamax). The number of ocean grain vessels loaded in U.S. Gulf ports was 503, a 3-percent decrease, compared with 518 for the previous year, and 2 percent below the 4-year average of 512 vessels. *Surajudeen.Olowolayemo@usda.gov*.

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

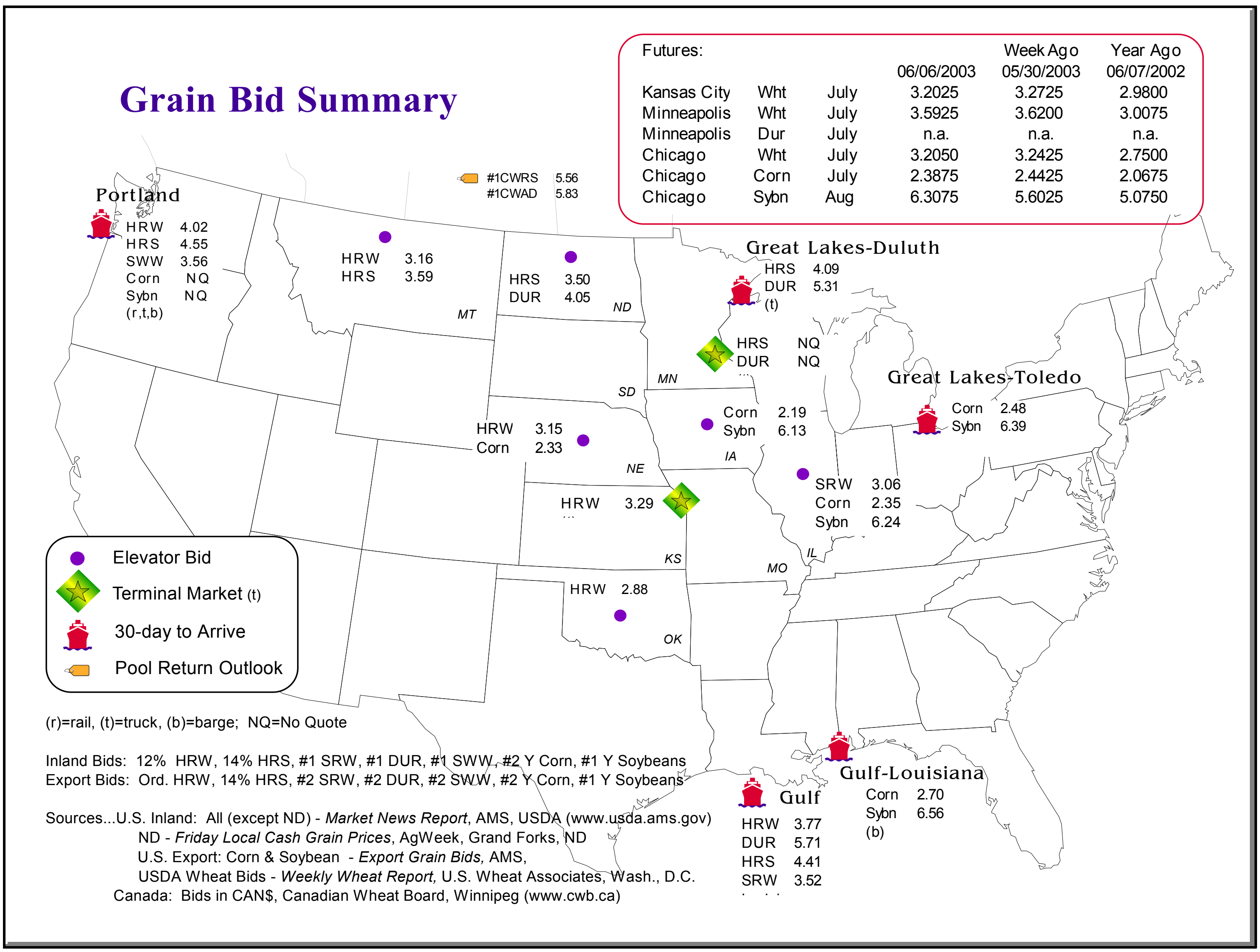
Contents

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.35	-0.35
Corn	NE -- Gulf	-0.37	-0.35
Soybean	IA -- Gulf	-0.43	-0.46
HRW	KS -- Gulf	-0.48	-0.50
HRS	ND -- Portland	-1.05	-1.06

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



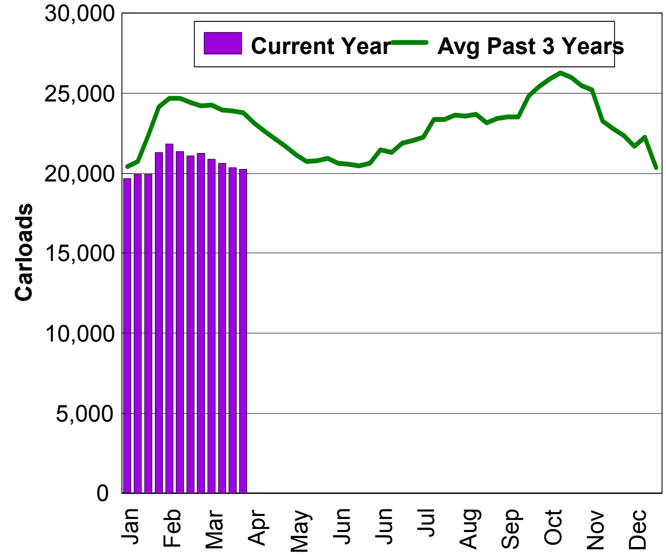
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

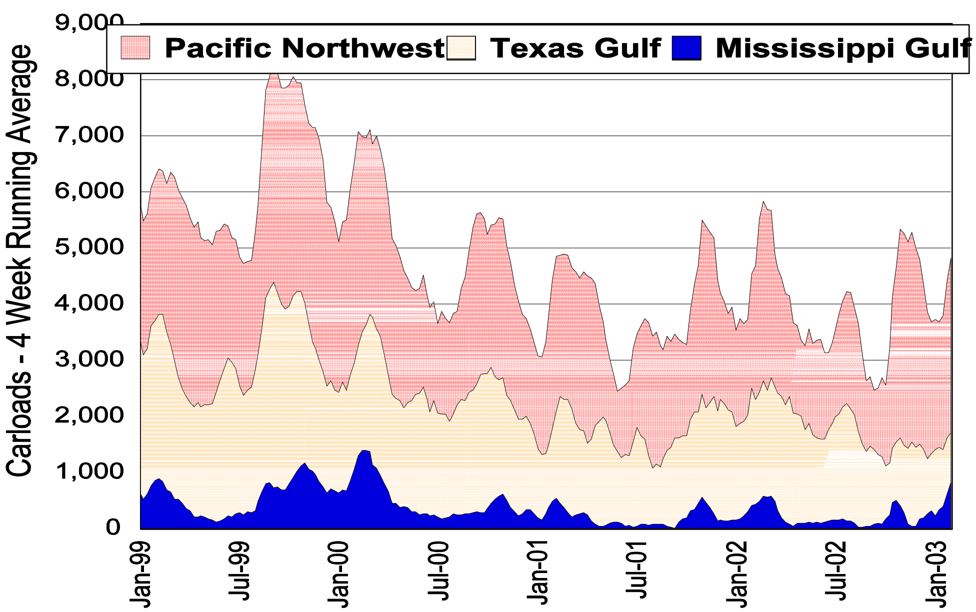
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
05/21/03	39	1,053	1,774	94	2,960
05/28/03	102	1,290	1,573	178	3,143
YTD 2003	8,217	22,744	66,004	8,970	105,833
YTD 2002	5,880	41,454	45,031	11,402	103,767
% YTD 2002	140%	55%	147%	79%	102%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/31/03	2,599	2,961	5,693	191	6,080	17,524	3,041	3,092
This Week Last Year	1,806	2,849	6,163	419	5,589	16,826	4,450	3,641
2003 YTD	61,139	70,519	160,749	7,264	142,106	441,777	73,049	74,641
2002 YTD	62,646	69,480	160,379	12,782	145,839	451,126	90,880	79,431
% of Last Year	98%	101%	100%	57%	97%	98%	80%	94%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
May-03	95.5	99.6	93.2	91.3	90.6	93.7		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Jul-03	Aug-03	Sep-03
COT/N. Grain	no bid	no bid	$1
COT/S. Grain	$2	no bid	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	$1

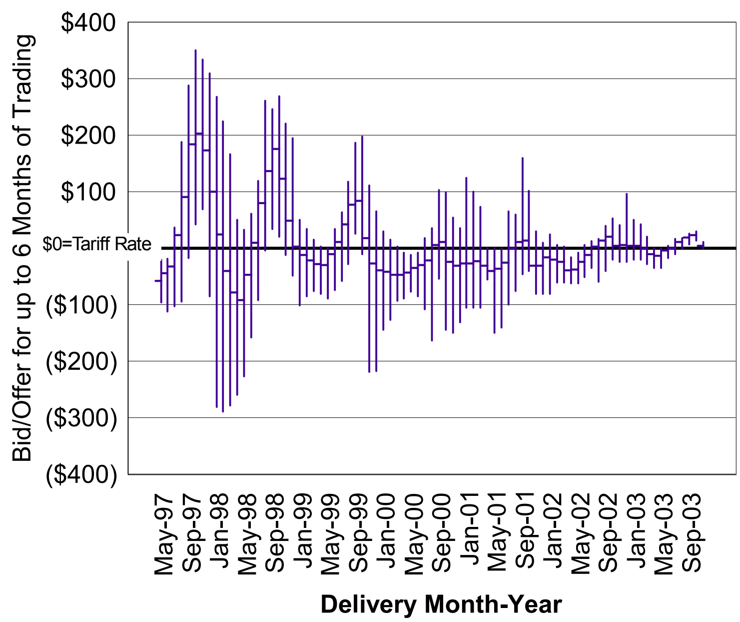
Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Jun-03	Jul-03	Aug-03	Sep-03
BNSF-GF	$(6)	$(5)	$1	$13
UP-Pool	$(10)	$3	$10	$15

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

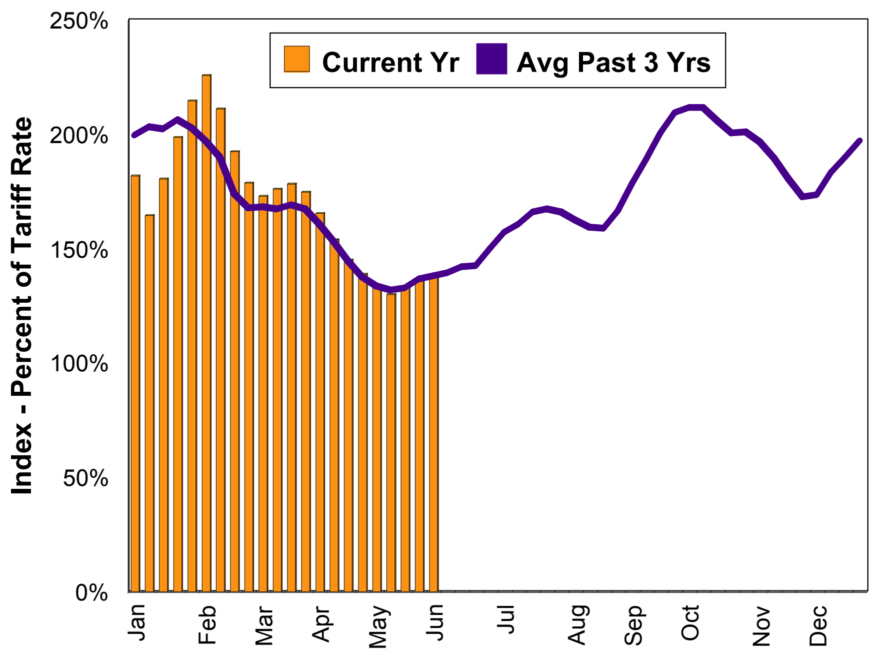
May 2003

Source: www.bnsf.com., approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/02/03	113710	Wheat	Kansas City, MO	Galveston, TX	$1,720	$18.96	$0.52
06/02/03	43521	Wheat	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
06/02/03	46540	Wheat	St. Louis, MO	Houston, TX	$1,795	$19.79	$0.54
06/02/03	113710	Wheat	Kansas City, MO	Laredo, TX	$2,180	$24.03	$0.65
06/02/03	15507	Wheat	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
06/02/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
06/02/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	$1,845	$20.34	$0.52
06/02/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	$1,970	$21.72	$0.55
06/02/03	113210	Corn	Evansville, IN	Raleigh, NC	$1,816	$20.02	$0.51
06/02/03	1132	Corn	Des Moines, IA	Laredo, TX	$2,595	$28.60	$0.73
06/02/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
06/02/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
06/02/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
06/02/03	1144	Soybeans	Des Moines, IA	Laredo, TX	$2,864	$31.57	$0.86
06/02/03	11441	Soybeans	Evansville, IN	Raleigh, NC	$1,816	$20.02	$0.54

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

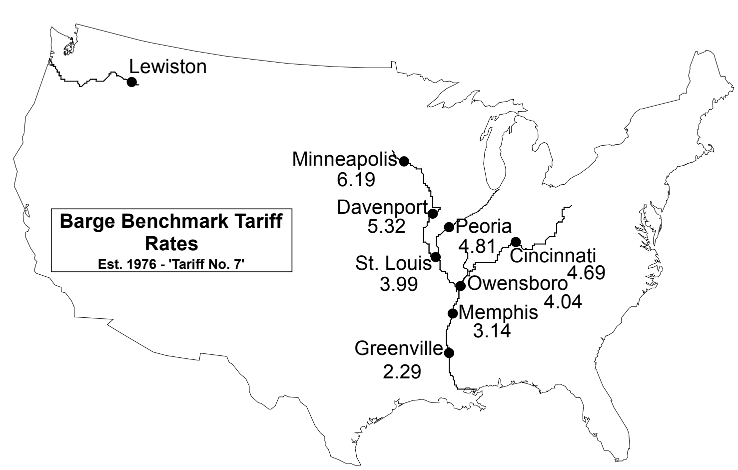
	6/4/03	5/28/03	July '03	Sept '03
Twin Cities	177	183	185	222
Mid-Mississippi	143	147	155	195
Illinois River	133	135	143	190
St. Louis	106	106	120	177
Lower Ohio	112	116	127	191
Cairo-Memphis	98	99	113	173

Source: Transportation & Marketing /AMS/USDA

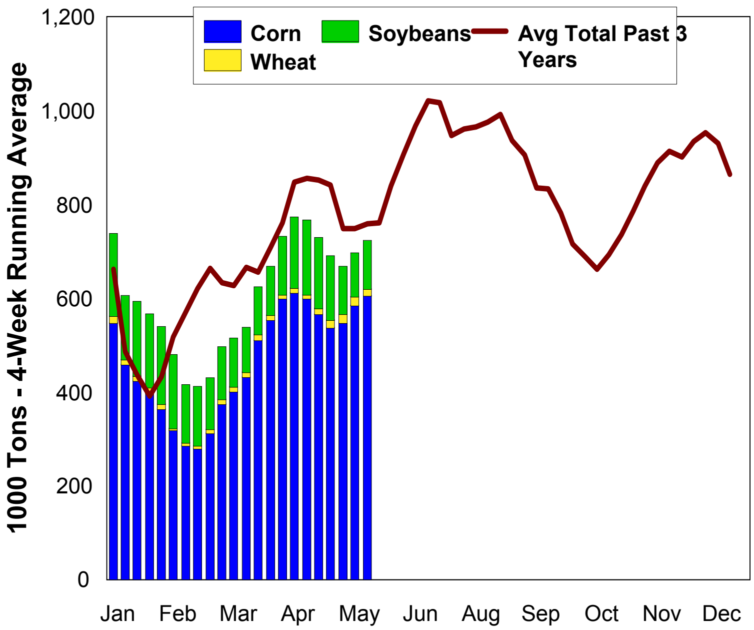
BARGE FUTURES MARKET
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate Futures	Rate Cash
6/10/03	St. Louis	July	n/a	120
		Sept	n/a	183
		Nov	n/a	150
		Dec	n/a	135
		Jan	n/a	135
	Illinois River	July	n/a	145
		Sept	n/a	185
		Nov	n/a	175
		Dec	n/a	170
		Jan	n/a	195

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



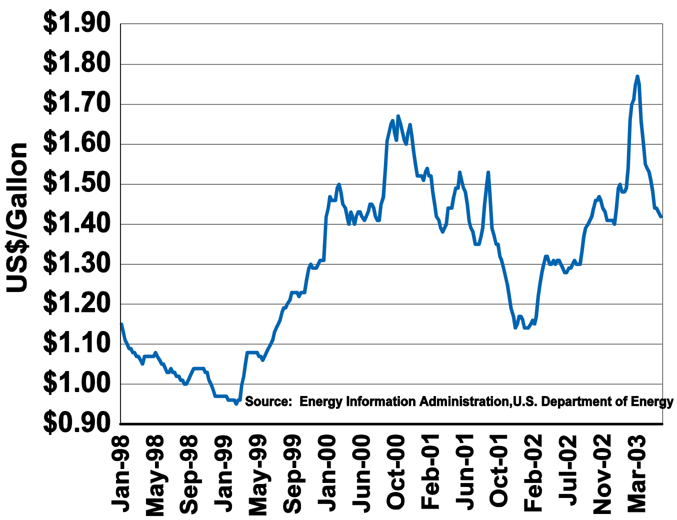
Barge Grain Movements (1,000 Tons) for week ending 5/31/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	420	12	59	492
Winfield, MO (L25)	482	25	111	619
Alton, IL (L26)	622	26	131	779
Granite City, IL (L27)	621	24	137	782
Illinois River (L8)	128	0	9	137
Ohio River (L52)	9	3	6	21
Arkansas River (L1)	0	3	0	3
2003 YTD	11,494	700	4,062	16,660
2002 YTD	14,239	942	4,495	20,446
% of 2002 YTD	81%	75%	91%	82%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

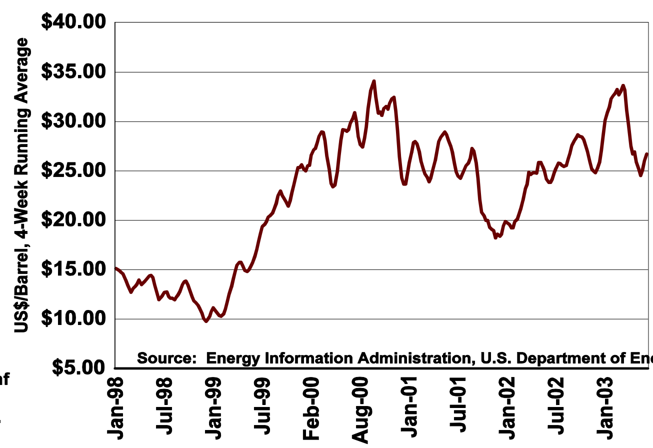
Truck Transportation

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (06/10/03) US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	30.33	29.22	↑
Brent Crude	28.34	27.96	↑

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)									
				Wheat			Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR	All			
05/29/2003	1,277	306	1,006	544	177	3,310	5,629	2,729	11,668
This Week Year Ago	356	148	267	292	3	1,066	6,219	2,606	9,891
Commulative Exports-Crop Year									
02/03 YTD	6,896	2,899	6,645	3,517	720	20,677	29,608	26,183	76,468
01/02 YTD	8,704	5,485	5,554	3,127	1,133	24,003	34,761	25,633	84,397
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

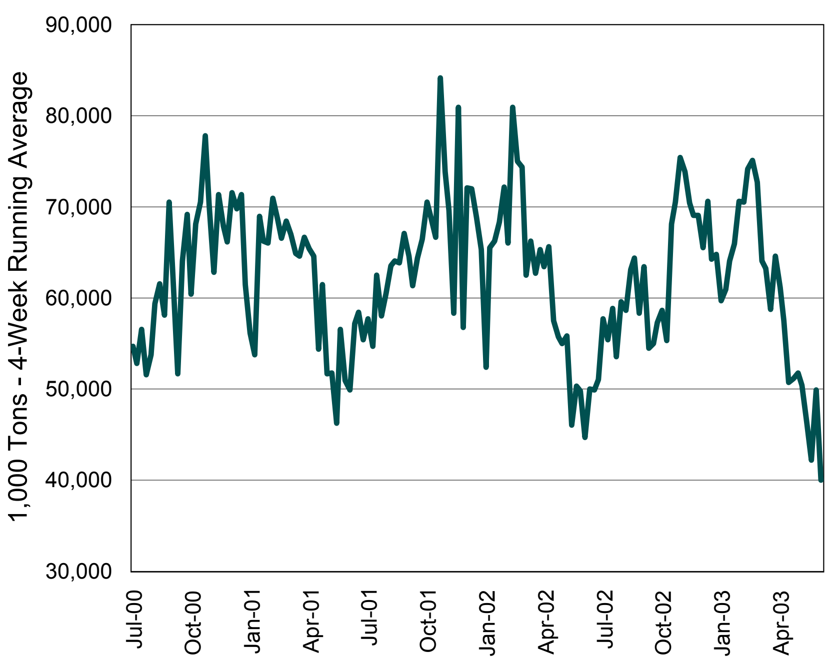
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
06/05/03	205	50	8	51	607	80	89	0	0	264	738	89
2003 YTD	3,709	2,337	2,432	1,856	11,787	9,086	1,834	529	50	8,478	22,729	2,412
2002 YTD	3,761	2,005	1,270	2,676	16,641	8,942	2,692	116	245	7,036	28,259	3,053
% of 2002 YTD	99%	117%	192%	69%	71%	102%	68%	456%	20%	120%	80%	79%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

04/17/2003	Wheat	Durum	Barley
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%

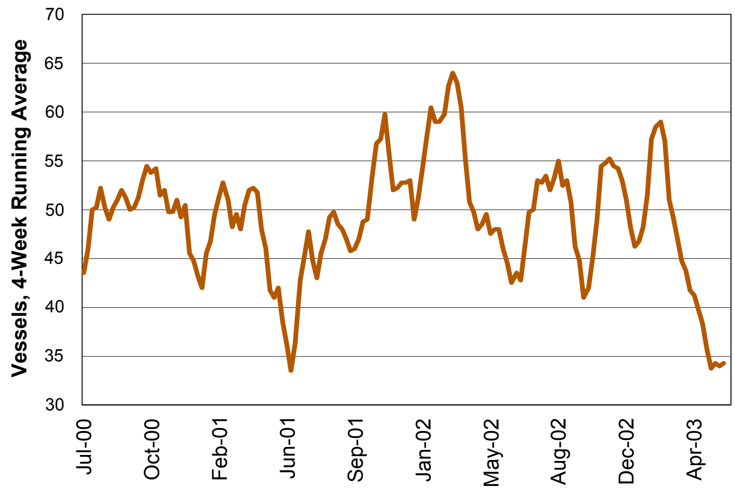
Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

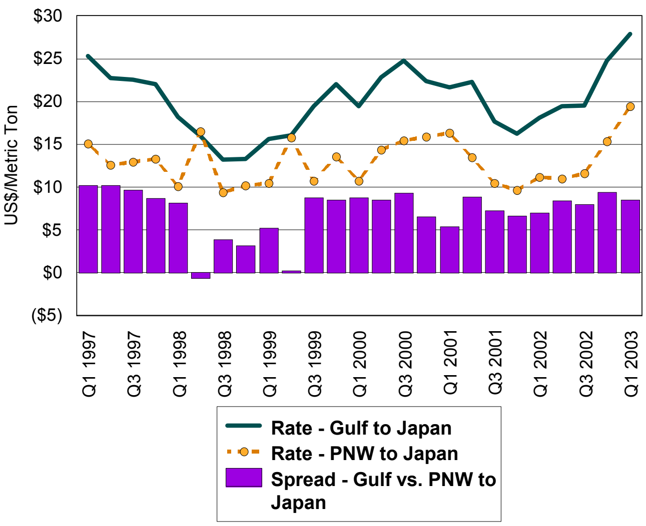
	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
05/29/03	20	31	54	9	3
06/05/03	24	36	44	7	3
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1st Qtr	2002 1st Qtr	% Change		2003 1st Qtr	2002 1st Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$27.91	$18.25	53%	Japan	$19.43	$11.31	72%
Mexico	-	$31.49	-				
Venezuela	$15.00	-	-				
				Argentina/Brazil to			
N. Europe	$14.50	$10.67	36%	Med. Sea	$25.35	$17.85	42%
N. Africa	-	$17.58	-	N. Europe	-	$13.48	-
Med. Sea	$14.50	$10.97	32%	Japan	-	$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 6/07/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	Continent	Grains	June 9/14	60,000	$18.51
U.S. Gulf	Japan	Heavy Grain	June 4/17	54,000	$32.50
U.S. Gulf	Japan	Heavy grain	June 10/24	56,000	$32.00
U.S. Gulf	Japan	Heavy Grain	Jun 19/30	54,000	$31.25
Paranagua, Brazil	Inchon, S. Korea	Meals	June 10/20	55,000	$31.50
River Plate	Limassol, Cyprus	Corn	June 8/10	25,000	$31.00
River Plate	Algeria	Meals	June 5/15	20,000	$41.00
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	$70.61*

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

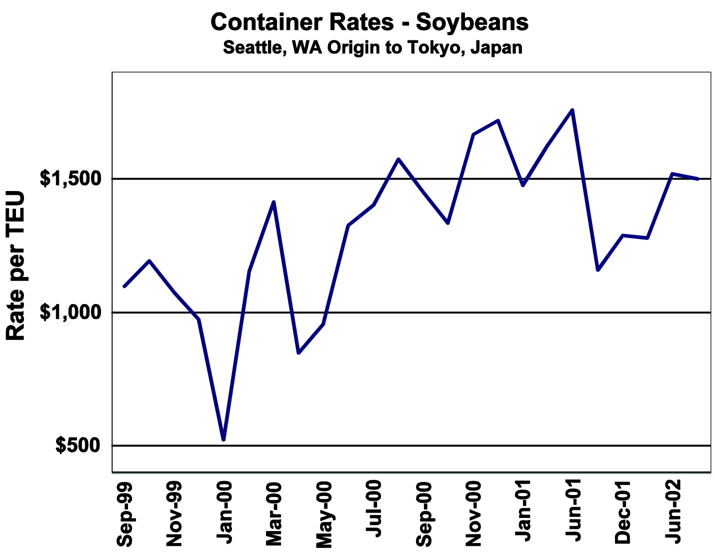
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

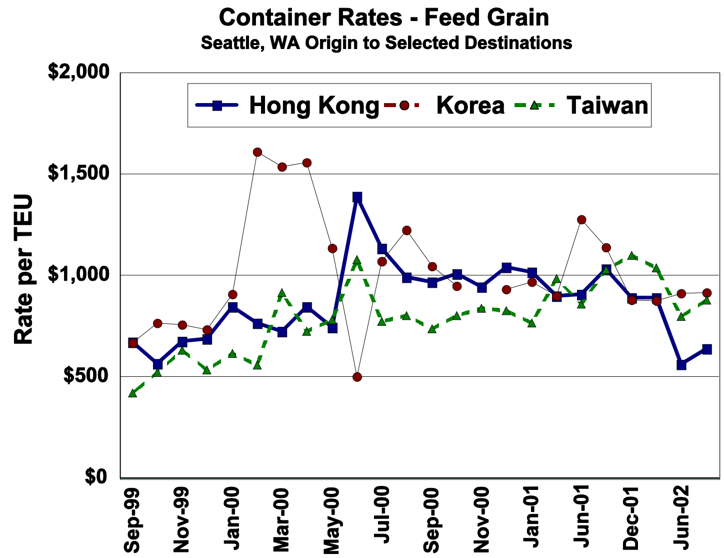
CONTAINER

Container Ocean Freight Rates

Average Rate per TEU, Weighed by Shipping Line Market Share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.